



GENERAL ASSEMBLY

COMMONWEALTH OF KENTUCKY

2014 REGULAR SESSION

HOUSE BILL NO. 401

FRIDAY, MARCH 14, 2014

The following bill was reported to the Senate from the House and ordered to be printed.

RECEIVED AND FILED
DATE April 7, 2014
4:08 pm
ALISON LUNDERGAN GRIMES
SECRETARY OF STATE
COMMONWEALTH OF KENTUCKY
BY R. Adles

1 AN ACT relating to transient room taxes imposed by a consolidated local
2 government.

3 *Be it enacted by the General Assembly of the Commonwealth of Kentucky:*

4 ➔Section 1. KRS 91A.390 is amended to read as follows:

5 (1) (a) The commission shall annually submit to the local governing body or bodies
6 which established it a request for funds for the operation of the commission.

7 (b) The local governing body or bodies shall include the commission in the
8 annual budget and shall provide funds for the operation of the commission by
9 imposing a transient room tax on~~[, not to exceed three percent (3%) of]~~ the
10 rent for every occupancy of a suite, room, or rooms, charged by all persons,
11 companies, corporations, or other like or similar persons, groups, or
12 organizations doing business as motor courts, motels, hotels, inns, or like or
13 similar accommodations businesses as follows:

14 1. For a local governing body or bodies, other than an urban-county
15 government, the tax rate shall not exceed three percent (3%); and

16 2. For an urban-county government, the tax rate shall not exceed four
17 percent (4%).

18 (c) In addition to the three percent (3%) levy authorized by subparagraph 1. of
19 paragraph (b) of this subsection, the local governing body other than an
20 urban-county government may impose a special transient room tax not to
21 exceed one percent (1%) for the purposes~~[sole purpose]~~ of:

22 1. Meeting the operating expenses of a convention center; and

23 2. In the case of a consolidated local government, financing the
24 renovation or expansion of a convention center that is government-
25 owned and located in the central business district of the consolidated
26 local government, provided that if a consolidated local government
27 imposes the special transient room tax authorized under this

paragraph on or after the effective date of this Act, revenue derived from the levy shall not be used to meet the operating expenses of a convention center until any debt issued for financing the renovation or expansion of a government-owned convention center located in the central business district of the consolidated local government is retired~~. A transient room tax imposed by an urban county government shall not exceed four percent (4%) of the rent for every occupancy of a suite, room, or rooms, charged by all persons, companies, corporations, or other like or similar persons, groups, or organizations doing business as motor courts, motels, hotels, inns, or like or similar accommodations businesses~~.

(d) Transient room taxes shall not apply to the rental or leasing of an apartment supplied by an individual or business that regularly holds itself out as exclusively providing apartments. Apartment means a room or set of rooms, in an apartment building, fitted especially with a kitchen and usually leased as a dwelling for a minimum period of thirty (30) days or more.

(e) The local governing body or bodies that have established a commission by joint or separate action shall enact an ordinance for the enforcement of the tax measure enacted pursuant to this section and the collection of the proceeds of this tax measure on a monthly basis.

(2) All moneys collected pursuant to this section and KRS 91A.400 shall be maintained in an account separate and unique from all other funds and revenues collected, and shall be considered tax revenue for the purposes of KRS 68.100 and KRS 92.330.

(3) A portion of the money collected from the imposition of this tax, as determined by the tax levying body, upon the advice and consent of the tourist and convention commission, may be used to finance the cost of acquisition, construction, operation, and maintenance of facilities useful in the attraction and promotion of tourist and

1 convention business, including projects described in KRS 154.30-050(2)(a). The
2 balance of the money collected from the imposition of this tax shall be used for the
3 purposes set forth in KRS 91A.350. Proceeds of the tax shall not be used as a
4 subsidy in any form to any hotel, motel, or restaurant, except as provided in KRS
5 154.30-050(2)(a)3.c. Money not expended by the commission during any fiscal year
6 shall be used to make up a part of the commission's budget for its next fiscal year.

7 (4) A county with a city of the first class may impose an additional tax, not to exceed
8 one and one-half percent (1.5%) of the room rent. This additional tax, if approved
9 by the local governing body, shall be collected and administered in the same manner
10 as the regular tax and shall be used for the purpose of funding additional promotion
11 of tourist and convention business.

12 (5) An urban-county government may impose an additional tax, not to exceed one
13 percent (1%) of the room rents included in this subsection. This additional tax shall
14 be collected and administered in the same manner as the regular tax with the
15 exception that this additional tax shall be used for the purpose of funding the
16 purchase of development rights program provided for under KRS 67A.845.

17 (6) Local governing bodies which have formed multicounty tourist and convention
18 commissions as provided by KRS 91A.350(3) may impose an additional tax, not to
19 exceed one percent (1%) of the room rents. This additional tax, if approved by each
20 governing body, shall be collected and administered in the same manner as the
21 regular tax, with the exception that this additional tax shall be used for the purpose
22 of funding regional efforts relating to the promotion of tourist and convention
23 business and convention centers. In no event shall any revenues collected as
24 provided for under KRS 91A.350(3) be utilized for the construction, renovation,
25 maintenance, or additions to any convention center that is located outside the
26 boundaries of the Commonwealth of Kentucky.

27 (7) The commission, with the approval of the tax levying body, may borrow money to

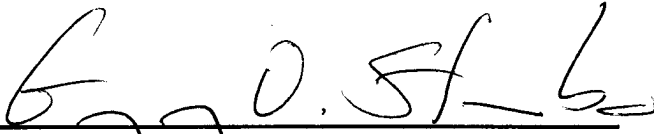
1 pay its obligations that cannot be paid at maturity out of current revenue from the
2 transient room tax, but shall not borrow a sum greater than can be repaid out of the
3 revenue anticipated from the transient room tax during the year the money is
4 borrowed. The commission may pledge its securities for the repayment of any sum
5 borrowed.

6 (8) The fiscal court or legislative body of a consolidated local government or city
7 establishing a commission pursuant to KRS 91A.350(1) or (2) and, in its own name,
8 a commission established pursuant to of KRS 91A.350(1) is authorized and
9 empowered to issue revenue bonds pursuant to KRS Chapter 58 for public projects.
10 Bonds issued for the purposes of KRS 91A.350 to 91A.390, may be used to pay any
11 cost for the acquisition of real estate, the construction of buildings and
12 appurtenances, the preparation of plans and specifications, and legal and other
13 services incidental to the project or to the issuance of the bonds. The payment of the
14 bonds, with interest, may be secured by a pledge of and a first lien on all of the
15 receipts and revenue derived, or to be derived, from the rental or operation of the
16 property involved. Bond and interest obligations issued pursuant to this section shall
17 not constitute an indebtedness of the county, consolidated local government, or city.
18 All bonds sold under the authority of this section shall be subject to competitive
19 bidding as provided by law, and shall bear interest at a rate not to exceed that
20 established for bonds issued for public projects under KRS Chapter 58.

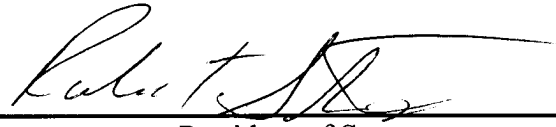
21 (9) A commission established pursuant to KRS 91A.350(3) is authorized and
22 empowered to issue revenue bonds in its own name, payable solely from its income
23 and revenue, pursuant to KRS Chapter 58 for revenue bonds for public projects.
24 Bonds issued for the purposes of KRS 91A.350 to 91A.390, may be used to pay any
25 cost for the acquisition of real estate, the construction of buildings and
26 appurtenances, the preparation of plans and specifications, and legal and other
27 services incidental to the project or to the issuance of the bonds. The payment of the

1 bonds, with interest, may be secured by a pledge of and a first lien on all of the
2 receipts and revenue derived, or to be derived, from the rental or operation of the
3 property involved. Bond and interest obligations issued pursuant to this section shall
4 not constitute an indebtedness of the county. All bonds sold pursuant to this section
5 shall be subject to competitive bidding as provided by law, and shall not bear
6 interest at rates exceeding those for bonds issued for public projects under KRS
7 Chapter 58.


8 ➔Section 2. This Act takes effect August 1, 2014.



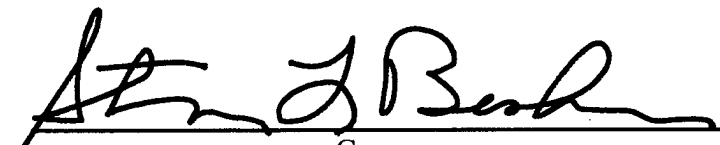
Speaker-House of Representatives



President of Senate

Attest: 

Chief Clerk of House of Representatives

Approved 

Governor

Date 4-7-14